

The Lemon Law in Tennessee and Your Rights - HELP4TN Blog

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Help! My new car is a lemon. What do I do? If your brand-new car is always in the shop, you have rights. Tennessee law states that a manufacturer must repair or replace your vehicle under certain conditions. Below we'll discuss who this applies to, what's considered a lemon, and how you get relief from the car manufacturer.

Who does this apply to?

People who buy or lease a new car. Unfortunately, the lemon law does not apply to used cars.

What makes a car a lemon?

Your new car came with a warranty and it's the manufacturer's responsibility to ensure that the car conforms to that warranty, meaning it must work properly. If the car does not live up to the promises made in the warranty and this "substantially impairs" the vehicle (meaning it's unreliable, unsafe, or something is so wrong with it that it reduces its resale market value), then you might have a lemon. An example of a substantial impairment might be power steering that doesn't work. A broken speaker, however, would likely not be a substantial impairment.

The law recognizes what a hassle it would be if your new car is constantly in the shop for repairs. If the dealer can't fix the car in three attempts, or if your car is in the shop for 30 days or more during the term of protection, it's time to notify the manufacturer.

What is the term of protection?

In Tennessee, you must report a defect to the manufacturer during the warranty period or within one year of when you received the vehicle, whichever comes first. If you have a 6 month warranty, then you must report the defect within that 6 month term. If you have a three year warranty, then you must report the defect within one year of when you got the vehicle.

How do I report a defect?

Give written notice to the manufacturer by certified mail of the need for the correction or repair of the nonconformity (defect). If the address of the manufacturer is not in the owner's manual or manufacturer's warranty, mail the written notice to an authorized dealer.

What is the manufacturer required to do?

Once you provide notice to the manufacturer, they have 10 more days to correct or repair the vehicle. If they can't, then the manufacturer must replace your car or let you return the car for a full refund.

What if the manufacturer does not agree that the vehicle is defective?

The manufacturer can require you to go through an "informal dispute settlement procedure." During this process, a panel will determine whether the vehicle conforms to all warranties and whether the vehicle is substantially impaired. This panel will ultimately decide whether the manufacturer must provide a refund or a replacement vehicle.

What if I'm not happy with the panel's decision?

You still have the right to sue the manufacturer. Participating in the informal dispute settlement does not take that right away. If you're going to sue, you must do so within 6 months following the expiration of the warranty or one year after you received the vehicle, whichever is later. This statute of limitations is paused during the informal dispute settlement procedure.

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